

EXHIBIT A

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

CITY OF MONROE EMPLOYEES' :
RETIREMENT SYSTEM, derivatively on :
behalf of TWENTY-FIRST CENTURY :
FOX, INC., :
Plaintiff, :
v. : C.A. No.
: 2017-0833-AGB
RUPERT MURDOCH, LACHLAN MURDOCH, :
JAMES MURDOCH, CHARLES G. CAREY, :
DAVID F. DEVOE, RODERICK I. :
EDDINGTON, ROGER S. SILBERMAN, :
JACQUES A. NASSER, JAMES W. :
BREYER, JEFFREY W. UBBEN, VIET :
DINH, DELPHINE ARNAULT, TIDJANE :
THIAME, AND THE ESTATE OF ROGER :
AILES, :
Defendants, :
and :
TWENTY-FIRST CENTURY FOX, INC., :
Nominal Defendant. :

- - -
Chancery Courtroom No. 12A
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Friday, February 9, 2018
2:05 p.m.

- - -
BEFORE: HON. ANDRE G. BOUCHARD, Chancellor
- - -

PLAINTIFF'S MOTION TO APPROVE SETTLEMENT AND FOR
ATTORNEYS' FEES AND EXPENSES AND THE COURT'S RULING

CHANCERY COURT REPORTERS
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware 19801
(302) 255-0521

1 APPEARANCES:

2 STUART M. GRANT, ESQ.
3 MICHAEL J. BARRY, ESQ.
Grant & Eisenhofer, P.A.

-and-

4 MAX W. BERGER, ESQ.
5 MARK LEOVITCH, ESQ.
6 DAVID L. WALES, ESQ.
7 REBECCA E. BOON, ESQ.
of the New York Bar
Bernstein, Litowitz, Berger & Grossmann LLP
for Plaintiff City of Monroe Employees'
Retirement System

8 NED C. WEINBERGER, ESQ.
9 Labaton Sucharow LLP
for Plaintiff Seattle City Employees'
10 Retirement System

11 ANDREW S. DUPRE, ESQ.
McCarter & English, LLP

-and-

12 AMY MILLER, ESQ.
13 of the New York Bar
Levi & Korsinsky, LLP
14 for Plaintiffs IBEW Local 38 Pension Fund and
Simcha Halberstam

15 GREGORY V. VARALLO, ESQ.
16 SUSAN M. HANNIGAN, ESQ.
17 SARAH A. GALETTA, ESQ.
Richards, Layton & Finger, P.A.
for Defendants Rupert Murdoch, Lachlan
18 Murdoch, James Murdoch, Charles G. Carey,
David F. DeVoe, Roderick I. Eddington,
19 Roger S. Silberman, Jacques A. Nasser,
James W. Breyer, Jeffrey W. Ubben, Viet Dinh,
20 Delphine Arnault, Tidjane Thiame, and Nominal
Defendant Twenty-First Century Fox, Inc.

21 THAD J. BRACEGIRDLE, ESQ.
22 Wilks, Lukoff & Bracegirdle LLC
23 for Defendant The Estate of Roger Ailes

24 - - -

1 THE COURT: Mr. Grant.

2 MR. GRANT: Good afternoon, Your
3 Honor. With the Court's permission, Mark Lebovitch
4 from Bernstein Litowitz who has already been admitted
5 pro hac will present the settlement and fee petition,
6 and only to the extent Your Honor wants, an opposition
7 to Ms. Miller's motion. But if Your Honor doesn't
8 want to hear that now, he won't do that.

9 So with Your Honor's permission, I
10 would turn this over to Mr. Lebovitch.

11 THE COURT: That's fine.

12 MR. GRANT: Thanks.

13 MR. LEBOVITCH: Good afternoon, Your
14 Honor.

15 THE COURT: Good afternoon.

16 MR. LEBOVITCH: It's been a while.
17 It's good to be back before you.

18 I know that the Court has read the
19 papers. And the underlying events behind this case,
20 obviously, received a lot of publicity. So I hope to
21 really just give a concise background to it and then
22 talk about the process that led to this case and how
23 it was prosecuted and really focus on the settlement.

24 Obviously, the settlement is a

1 \$90 million recovery, one of the largest in Delaware,
2 including one of the largest derivative case
3 recoveries ever and we think the largest in a pure
4 oversight case.

5 THE COURT: All covered by D&O
6 insurance. Is that right?

7 MR. LEBOVITCH: Yes. And we think
8 even more important than the monetary recovery is what
9 we think is unprecedented and really exceptional
10 governance changes, and I want to spend some time on
11 that.

12 There have been no objections filed
13 previously, and based on a survey of the room, we
14 don't believe any objectors have shown up either on
15 the settlement or on the fee petition.

16 I want to start with maybe just a very
17 brief big-picture comment and explain that there's a
18 lot of people here who worked hard on this case. And
19 it's a privilege to practice here in Delaware in the
20 Chancery Court. And if people do it long enough,
21 they'll find a case that they feel like it matters.
22 It's going to be in the *Wall Street Journal*. It's
23 shaping the way deals are done. But it's really
24 economic matters. And we feel good about it but

1 that's it. It's really rare to have a case where you
2 get involved in it and you find yourself kind of
3 involved in history and something that's about so much
4 more than just the economic issues.

5 And here, from the origin of this
6 case, what happened, frankly, is disclosures. You
7 know, the filing of the Gretchen Carlson complaint led
8 to a focus on Roger Ailes.

9 And the first instinct that many
10 people would have is, well, that's not really a
11 Delaware issue. And we touch on this in the papers,
12 that, historically, there's really no precedent in the
13 law for this. There's one case that deals with sexual
14 harassment. That was White versus Panic. And what I
15 knew right up front is I believe from my own knowledge
16 that that's just a dismissal of a plaintiff who didn't
17 do a 220. But there's no precedent for how someone
18 would pursue a derivative claim arising out of sexual
19 harassment by even one executive.

20 This started -- and I do want to give
21 a little bit of credit up front --

22 THE COURT: This ultimately is a
23 Caremark-type claim. Right?

24 MR. LEBOVITCH: Yes.

1 And what happened is, from the
2 beginning, my partner, Max Berger, who doesn't
3 normally get involved in saying, Hey, you should bring
4 this case or go investigate this or that, he, I think,
5 did see something and saw that this was more than just
6 Roger Ailes.

7 And I think his perspective is -- was
8 and I think now surely is -- that boards didn't get
9 involved in these issues, because if there's someone
10 who is acting inappropriately, it's like deviant, and
11 you can write it off as deviant and say, This is just
12 not our job. And he said, This is something that's
13 bigger. And there's a historical context here, and
14 kind of "The Times They Are A-Changin'." And so we
15 started an investigation.

16 We started that investigation, and it
17 was in July. It was pretty early on. It was
18 July 29th of 2016. And there was about a six-month
19 stretch in that case where we were pursuing a 220.
20 Mr. Varallo was on the other side of it, and there was
21 a lot of back and forth, a lot of fighting about
22 documents and the scope of the documents and whatnot.

23 And then we had essentially a
24 breakdown at the end of 2016 where we said, Okay,

1 they're not giving us more documents. We don't --
2 we're not happy. We think there should be more.

3 And then we get to early 2017, and
4 that's when this case really took a different turn.
5 It was just fortuitous. And I touched on it in the
6 declaration. We had gone to our client, we had a 220
7 complaint written, and we were getting a verification
8 to file a 220 complaint, and I happened to see an old
9 friend of mine from Skadden who is now a senior M&A
10 lawyer at Fox for Twenty-First Century Fox. And I
11 just happened to see him in a restaurant and I said,
12 What are you guys doing? And I know you're litigious,
13 but this is different.

14 And he listened, and we had a long
15 conversation in the middle of that restaurant. And I
16 knew that he reports to Gerson Zweifach, who is
17 general counsel. And he listened and listened. I
18 didn't know what was going to come of it. And then it
19 was about a week later, as we were much closer to
20 filing what would be a very public and it was I
21 believe like a 60- or 70-page 220 complaint, I got a
22 phone call during a break in a class cert. hearing I
23 was doing in California, got a phone call from
24 Mr. Varallo, and we had a lengthy conversation.

1 And it's really -- it was the
2 jawboning you would expect about what kind of case
3 this would be. And, Oh, we've given you the
4 documents. But there was also a kind of getting-real
5 moment as well that is a credit, I think, to him. We
6 spoke and said, Well, how would this -- if there is a
7 220, what would happen? And then if it led to
8 litigation, what would happen?

9 And this bled over to our many
10 conversations that, you know, can't happen if people
11 are too venomous and too ideological. And I think
12 Mr. Varallo was not shy telling us the problems we
13 would have in the case, but at the same time, I think
14 was listening and professional about why his clients
15 might have problems in the case. And that's how the
16 praeses started.

17 We filed a 220, and we were
18 litigating, taking interviews. So we're getting, now,
19 documents. We didn't file a 220. We gave it to them
20 privately. That led to us doing some private
21 interviews and then saying, You know what? There is a
22 case here. And we sent them a private complaint, and
23 we said, We think we have a basis for a complaint but
24 do you want to continue this process?

1 And over time, that led to an
2 agreement to mediate. And we retained former judge
3 Layn Phillips, who is probably one of the most
4 prominent mediators out there, and we got ready to
5 mediate this very unusual case, knowing that we were
6 doing private discovery but it would be a completely
7 different picture if everything was out in the public
8 and if we're deposing directors, you know, in the
9 spotlight, essentially.

10 And over time, our group grew. Other
11 people had sent 220 demands to the company. And, you
12 know, I want to just briefly commend people because
13 there's a fair amount, sometimes, of cynicism about
14 how things work amongst plaintiffs' firms, and
15 sometimes I even express some of that cynicism, but
16 this was a case, just as we started it, and we felt
17 that there is something more than just some average
18 derivative suit here. This is important. And really,
19 I think everyone, they bought into that. They agreed.
20 And it was great cooperation by a dozen firms working
21 together. Great cooperation.

22 There was a leadership, understood,
23 but people really worked together and acted as a team
24 for a very important cause. And a lot of the firms

1 are here, represented, because people are very proud
2 of what came out of our efforts, which is this
3 settlement.

4 And the settlement negotiations, what
5 you had was the mediation process that we lay out in
6 our papers. You also had direct meetings, direct
7 negotiations. We, even before having the mediation,
8 sent over a demand relating to what became the
9 Council. And we had direct meetings to talk about
10 what's right and what's wrong and what's going to be
11 best for the company. And I think that through a
12 process that had a lot of fights, a lot of
13 disagreements, both about the case and about the
14 settlement terms, we came to something special.

15 Before I get to and really focus on
16 the settlement terms, I want to highlight that through
17 this unusual process, the parties entered into a
18 couple of stipulations. And really, the stipulations
19 were because at all times, we were all experimenting
20 with this process but didn't know how it could break
21 down. And in fact, everyone had the ability to blow
22 it up.

23 And we entered stipulations relating
24 to discovery. We were able to interview Gerson

1 Zweifach thanks to a stipulation that we put in. And
2 that's how we learned a lot more about what happened.

3 We put in a stipulation about demand
4 futility early in the process so that once they had a
5 complaint, all agreed, that's the date. Because if
6 this continued for a while, we don't want the board to
7 change and have some argument --

8 (Overlapping speakers)

9 THE COURT: -- board changes.

10 MR. LEBOVITCH: So in the end, we,
11 over the summer, had three mediation sessions. The
12 first one was a bust, it seemed, but it was very
13 substantive. And Your Honor has been in mediations,
14 and sometimes it's just kind of back and forth on
15 numbers.

16 There were presentations made, and as
17 Your Honor could imagine, I'm not going to go into the
18 details, but you can imagine that questions about
19 White versus Panic and how broad that case is comes
20 up. Questions about demand futility, even if Fox is a
21 controlled company, how would that play out. The
22 Murdochs' role here with Ailes and Fox News.
23 Questions about proving liability of the board if you
24 go forward and proving liability of the Murdochs even

1 if a claim just went forward against the Murdochs and,
2 eventually, the Ailes estate.

3 And then you have damages. You have a
4 situation where there are very real damages,
5 quantifiable, there are unquantified damages, and
6 there is also harm that you couldn't know yet, you
7 couldn't know the number yet. But we were able to
8 articulate about \$200 million worth of kind of
9 reasonably pursuable damages, and --

10 THE COURT: How did you get to that
11 number?

12 MR. LEOVITCH: Well, it was a bunch
13 of different components. It was the payments of
14 severance to people who we contend should have been
15 removed for cause far earlier. It was the settlements
16 that had already been paid to victims.

17 Now, there was more litigation that
18 emerged after the Carlson complaint, but I believe the
19 number when we were negotiating was \$55 million had
20 already been paid out as settlements.

21 We had payments on keyman contracts.
22 We made the argument that the board had allowed Roger
23 Ailes to, in a way, insulate himself or sabotage Fox
24 News by putting in the contracts of key talent a

1 keyman provision tied to him, so if he left, the
2 talent at the company could leave as well and get big
3 severance payouts. So it was a defensive parachute.

4 THE COURT: A new form of proxy put.
5 All right.

6 MR. LEBOVITCH: It could be. And it
7 wasn't the scale of what we saw in the Yahoo! case
8 where every employee gets a parachute.

9 THE COURT: Right.

10 MR. LEBOVITCH: But the point if the
11 talent from a media company leaves, the dollars isn't
12 what does it but the talent has incentive to leave.
13 That's no more. That no longer exists, thanks to the
14 settlement.

15 And maybe that's a good segue to focus
16 on the settlement itself, unless Your Honor has
17 questions about the process.

18 THE COURT: I do have a couple
19 questions.

20 150 was the number you were saying you
21 sort of pegged as your -- as the exposure here?

22 MR. LEBOVITCH: 200.

23 THE COURT: I just remember in reading
24 the brief, frankly, it struck me as low that that

1 would be the range, because there would be so many
2 tentacles to the thing.

3 Did you find in the course of
4 negotiating over the dollars that by virtue of any
5 settlements that had been entered, for example, with
6 the Ailes estate or with O'Reilly, that you were
7 precluded from going after them to get a financial
8 contribution?

9 MR. LEBOVITCH: No, we were not
10 precluded from going after the Ailes estate or --
11 O'Reilly, I want to be careful, because Ailes -- the
12 Ailes estate was involved in the process at the end.
13 I think that Fox -- my understanding is when Fox
14 settled with the Ailes estate, Fox preserved its
15 ability to have claims with the Ailes estate.

16 O'Reilly we viewed as damages. He
17 wasn't an officer so we couldn't bring a derivative
18 claim against O'Reilly other than we caused the
19 company to go after O'Reilly. Our point really was,
20 about the board there, is they should have fired him
21 earlier. They shouldn't have renewed his contract.
22 They should have had a contract that insulated him.

23 Oddly enough, his first contract, part
24 of our complaint about it is they couldn't fire him

1 for cause no matter how many people sued him unless
2 there was a final nonappealable judgment against him.
3 So I don't want to prejudice the company if they want
4 to go after him --

5 THE COURT: He has his own protection,
6 I'm sure.

7 MR. LEBOVITCH: He had his own
8 protection. And we blamed the board for allowing that
9 to happen. And part of the settlement is that can no
10 longer happen. A keyman provision at any dollar
11 amount is one of the specific items that's not a
12 matter of judgment for anyone.

13 Because a lot of the settlement is
14 about the people that we put in place and the
15 structure that we put in place, which is the Council,
16 which is independent, that has phenomenal people on
17 it, and so they're going to have a lot of tools to
18 use.

19 But to answer your question, we were
20 not precluded -- and the number, the 200 number, was
21 heavily contested, but we all realized that things
22 like the race discrimination class action is still
23 going on. The --

24 THE COURT: It's just carved out.

1 Right? This is only derivative. The release only
2 covers derivative claims.

3 MR. LEBOVITCH: We're not settling
4 anyone else's claims.

5 We were able to quantify 200. Your
6 Honor's instinct was fair. When we were negotiating,
7 without going into too much detail, of course, we
8 said, Yeah, you guys want to get ahead of this. You
9 want to fix this. By the time we're at trial, the
10 number may well be larger.

11 That, itself, was a point of dispute,
12 because, obviously, the company thinks they're going
13 to win all their cases. We said, Clearly, you're
14 going to have to do something about them. You might
15 lose some. You might settle some. So the number
16 would go higher than the 200.

17 But it's not like they accepted that
18 200 was even the harm that could be attributed to the
19 misconduct. Right? Because some of it was lost
20 advertising revenue, things like that. We were
21 bringing in everything that we could.

22 But then even when you go further, if
23 we had a trial in this case, the board, we would have
24 to -- let's assume we got past demand futility. We

1 would have to prove liability of, clearly, officers.
2 And that would help us, as we had some controlling
3 people who also are officers and may have fewer
4 defenses. But then you could have the board.

5 If we prove liability, the question of
6 damages is, Okay, well, the company has had to pay out
7 200 million or 400 million. How much of that is
8 because the board didn't do its job versus, you know,
9 how much -- basically, what happened even if they were
10 doing their job. And there is no automatic strict
11 liability for, you know, a breach of fiduciary duty
12 where we can say, Well, you had to pay it out and
13 that's it. Presumably, damages would be very
14 aggressively contested on all sides.

15 But taking it all into account, and
16 knowing that we were able to articulate 200, and that
17 realistically, by the time of trial, the number would
18 be higher -- but we did a lot of diligence on those
19 pending lawsuits and whatnot. 90 million, it's
20 45 percent of the 200. And we think that in the world
21 of shareholder derivative cases, it's, we think,
22 pretty monumental.

23 So ... okay?

24 THE COURT: All right. Thank you.

1 MR. LEBOVITCH: So I just talked about
2 the 90 million. I want to focus on the Council and
3 the governance relief. And there's really two -- I
4 think of what does governance mean? People use the
5 word but don't think about what that means.

6 I think that there is a corporate
7 form, and everyone knows the corporate form has sort
8 of structural kind of inefficiencies where people who
9 are controlling the money, controlling the company, at
10 times can act for their benefit per ways that aren't
11 guided for the company, that aren't intended to
12 benefit the company.

13 So governance, to me, that means two
14 things. There's hurdles and there's tools. Hurdles
15 is something that's going to impede someone with an
16 ill intent from getting their way at the expense of
17 the company. And then there's tools. And this
18 settlement, you know, kind of has a combination of
19 those. And the tools have to be used by good people.
20 Right? The outside directors, typically.

21 Here, we have hurdles put in place.
22 We have things that the company has agreed to put in
23 place no matter what. Like the keyman provision, it
24 would impede someone who attains power within the

1 company from protecting themselves by giving out these
2 keyman provisions. So that's a hurdle that we're not
3 leaving to chance.

4 When we've done this, in the Pfizer
5 case, for example, we created a regulatory committee
6 of the board in the Pfizer litigation. We were
7 trusting the board there, but it was still under the
8 board's umbrella. That's not a controlled company.
9 And here, without trying to impugn the controllers, we
10 definitely felt that the fix here had to be
11 sufficiently independent.

12 And so what we did is we had these
13 hurdles that we put in place. That's part of the
14 governance. And then we had the tools. And the tools
15 really is the creation of the Council and the
16 empowerment of the Council. Four of the six members
17 are independent. We picked two and the company picked
18 two.

19 THE COURT: That's already happened.
20 Right?

21 MR. LEBOVITCH: That has happened.
22 The two that we picked, one is former federal judge
23 Barbara Jones and Sylvia Hewlett. The bios are in the
24 record. Barbara Jones was appointed by the Secretary

1 of Defense to chair the committee that looked at
2 harassment and discrimination in the military. And
3 Sylvia Hewlett -- and particularly, the company's
4 choices, these are stellar people. Brande Stellings
5 and Sylvia Hewlett are really the leaders in the field
6 of working with companies on how to deal with
7 diversity and inclusion issues, is the phrase that
8 they use now.

9 And actually, technically, the Council
10 can't come into effect until Your Honor approves a
11 settlement, but I think showing the eagerness of the
12 company and the members to get started, we had a
13 meeting -- this is just referenced briefly in our
14 reply paper, but we had a meeting January 29th. And,
15 you know, I was lucky enough to attend the initial
16 part. Mr. Zweifach and the lawyers were there. Viet
17 Dinh, who is on the board, was involved. And we each
18 made initial presentations.

19 And the point I made to them that I
20 will share that really is what I was just touching on
21 is we're giving them tools and, really, they're
22 stellar people, and this is now their expertise. And
23 they should have everything they need to make Fox News
24 go from -- and I know that they're not going to like

1 this -- from worst to first. That's really kind of
2 the mission and objective here.

3 This is a company that had some
4 serious problems. And we know the history since Roger
5 Ailes. I mean, now we hear about Harvey Weinstein and
6 Steve Wynn. So the concept of deviant men in absolute
7 power is not unique, but the solution is. And really,
8 we hope that it's emulated by other companies that
9 find themselves facing these problems.

10 The committee excused all of us and
11 they met for a lengthy period of time, and they're
12 eager to get started. And so that's where that
13 stands.

14 I don't know if Your Honor has other
15 specifics about the Council. I'll highlight a couple.

16 THE COURT: I just read through the
17 papers a little while ago to go through the section
18 that has all the components of the nonmonetary relief.
19 And the thing I would be most interested just to hear,
20 in case I didn't get it in my reading, is how
21 information gets to the board.

22 I mean, I think I read through this
23 and understand that there are certain meeting
24 reporting relationships they all seem to go through.

1 Well, I guess the Council meets with the corporate
2 governance committee periodically, but the chair,
3 which is actually a Fox person, has the more frequent
4 contact with that committee.

5 But the written reports, if I'm
6 reading it correctly, at least for the first two
7 years, go to the entire board. I just want to get
8 confirmation of that.

9 MR. LEBOVITCH: Yes.

10 THE COURT: And then for the last
11 three years, I think they get it twice a year.

12 MR. LEBOVITCH: It's the frequency
13 that changes.

14 THE COURT: Which is important,
15 because especially when -- I think I was reading,
16 like, the reply paper or the submission from
17 Mr. Varallo, but all the things these people didn't
18 know, I think it's important that they actually have
19 to know.

20 MR. LEBOVITCH: Yes.

21 THE COURT: So elaborate a little bit
22 on that.

23 MR. LEBOVITCH: That's a great
24 question, Your Honor. It actually was a critical

1 focus.

2 You could imagine, going into these
3 negotiations, our position is, How could you not know?
4 Of course you knew. And there were all these signs
5 within the company that there is a broader problem.
6 But their position is, Well, we didn't know. And in
7 the litigation, there is always a risk they'd have to
8 kind of justify that it wasn't that bad, which I am
9 sure was a driver for them.

10 The -- I'll call it the inside-outside
11 component of the Council is really where your answer
12 starts. This is a majority independent committee --

13 THE COURT: Right.

14 MR. LEBOVITCH: -- but we felt,
15 collectively, through our process, that the best thing
16 for this company is that the committee not be viewed
17 as internal affairs. Right? They're not just
18 outsiders who are investigating. They needed the
19 legitimacy of well-meaning management.

20 And Kevin Lord came in after all of
21 this at Fox News and Thomas Gaissmaier came in at
22 Twenty-First Century Fox. We met with them. We
23 understand what was important to them. And the idea
24 was, from the outset, they not only bring legitimacy

1 of the Council to the employees, which would encourage
2 interaction, but part of their job -- and I think it's
3 paragraph 15. I could pull it from there, but my
4 memory is 15 or 16. I also recently re-read it.
5 There is a long paragraph that talks about the
6 requirement that the Council can get information
7 through the chair from, you know, legal and from
8 marketing and PR and whatnot. All of these different
9 divisions within the corporate structure, they are
10 mandated to provide information to the committee so
11 the committee can do its job.

12 So they have access to do their job
13 and they can then interact. They can create
14 information. And that's the data gathering, which is
15 a specialty of, I think, Ms. Stellings and
16 Ms. Hewlett. They are not just going to, you know,
17 talk about kind of highfalutin ideas. They get in and
18 they get the data for companies. It's what they do.
19 And they're going to get real-world information and
20 act based on that real-world information. And they
21 then report. Okay?

22 So they have regular access to the
23 chair of the nominating and governance committee.
24 They have, in the agreement, set meetings with the

1 governance committee. They provide their reports.

2 And I think it's annually for a meeting with the board
3 as a whole.

4 The report itself --

5 THE COURT: Who meets with the board
6 as a whole annually?

7 MR. LEBOVITCH: The Council.

8 THE COURT: I didn't see that.

9 MR. LEBOVITCH: I'll look it up.

10 Written reports --

11 THE COURT: Oh, written reports, yes.

12 MR. LEBOVITCH: 15(a) is the written
13 reports.

14 THE COURT: They go to the board. I
15 saw that.

16 MR. LEBOVITCH: It is paragraph 12. I
17 was thinking paragraph 15. It's paragraph 12.
18 They'll meet with the chair, meet with the full
19 nominating corporate governance committee at least
20 once per year.

21 THE COURT: Right, that committee, but
22 not the board.

23 MR. LEBOVITCH: Okay. They're going
24 to meet with the whole committee and then they'll

1 report and provide the report to the board. And the
2 committee report is made public.

3 THE COURT: I saw that.

4 MR. LEBOVITCH: And the feature --

5 THE COURT: You're getting a lot of
6 help here.

7 MR. LEBOVITCH: Maybe they think I'm
8 struggling.

9 The feature that's most important
10 about the reporting, Your Honor, is the minority
11 report. Because when you think about it, okay, what's
12 to stop a controlled company or, you know, any company
13 from just thwarting a council, no matter who you put
14 on it?

15 And we didn't know who the company
16 would put on it. We're very happy with who the
17 company put on, but there was the prospect that there
18 would be two people in management and two people who
19 would fundamentally kind of just be loyal to someone
20 other than the Council's cause.

21 We're very happy with who they put on,
22 but we agreed upon and insisted that there be a
23 minority report. That's even better than simply
24 publishing a report alone, because now any member who

1 doesn't like what's going on can issue a report.

2 And I think, Your Honor, sometimes
3 setting those ground rules actually affects conduct
4 and will deter a problem from emerging.

5 And the idea is that the prospect of
6 one of these Council members publishing, publicly, a
7 minority report on virtually any issue pretty much
8 assures that the board will have to be educated about
9 it and have to deal with it. Because there's a lot of
10 negative consequences to, you know, whether it's
11 Barbara Jones or Brande Stelling, publishing a report
12 saying, I'm not getting cooperation from management.
13 That's bad for the company. That's bad for
14 management.

15 Knowing how management has been trying
16 to deal with this now, having dealt so much with
17 Mr. Varallo and Mr. Zweifach, I think it's extremely
18 unlikely that they would willy-nilly overstep and
19 invite such a minority report.

20 And so you've got that. And you've
21 got five years of the Council being in place. If the
22 board wants to do away with the Council, they have to
23 explain publicly their reasoning.

24 THE COURT: I would like to explore

1 that provision. Technically, tomorrow, the board
2 could terminate this, couldn't it? They might have to
3 do it publicly, but they could terminate it. Well,
4 help me out with paragraph 28.

5 MR. LEBOVITCH: The term is five
6 years.

7 THE COURT: Then what's it talking
8 about, a decision to modify or terminate?

9 MR. LEBOVITCH: I -- "... at the time
10 of the termination of this Agreement shall be made by
11 the board." So I think at the end of five years, and
12 I hope Mr. Varallo will agree with me, but at the end
13 of five years, if they don't continue it, they have to
14 publicly state --

15 THE COURT: Is that how it works,
16 Mr. Varallo?

17 MR. VARALLO: Your Honor, this isn't a
18 gotcha. We anticipate this being at least a
19 five-year --

20 THE COURT: So the termination
21 language is just talking about post five years?

22 MR. VARALLO: That's the way we read
23 it.

24 THE COURT: When I read the brief, I

1 read it the way I just articulated. And when I went
2 back to look at the language, it seemed absurd. It
3 would be, as a practical reality, pretty foolish to do
4 that, but I was just surprised.

5 All right. So you've got five years
6 for sure. You're putting the representation on the
7 record.

8 MR. LEBOVITCH: We didn't get suckered
9 on that point, Your Honor, so we've got five years.

10 So we think this is going to work. I
11 mean, that's the key. This is going to work. It's
12 something that can be replicated.

13 I already covered the risks to the
14 case. Your Honor, I'm sure, is very well-aware of the
15 hurdles that we would face in litigating the case.
16 And all I'll say on that was in the absence of
17 precedent, I think both parties had a situation where
18 we could jawbone each other, but no one really knew
19 how this trial would play out. We mentioned in the
20 papers we knew it would be a media circus, but beyond
21 that, we would be on uncharted grounds.

22 So, again, with no objections, we
23 think that the settlement should be approved.

24 I don't know if Your Honor has any

1 other questions, or I'll move on to --

2 THE COURT: I don't think so. I think
3 I understand it.

4 MR. LEBOVITCH: We are seeking \$22-1/2
5 million, which is 25 percent of just the cash, but
6 that's not the way we really have tried to articulate
7 the value and it's certainly not the way we approached
8 it.

9 If you had just cash of \$90 million,
10 there is a very significant fee that I think
11 rightfully would and could be awarded. We believe
12 that this council, because of its importance for this
13 company and its novelty and, really, the thought and
14 tools that we provided it, so that it's not -- you
15 know, let me step back.

16 Your Honor has seen what I'll call
17 fake governance. Your Honor has seen things that
18 don't really mean a whole lot. I believe -- and I
19 hope Your Honor sees that this was done by
20 professionals, and this is, we believe, as good as it
21 gets in terms of putting in place a structure. So we
22 think that the structure itself would warrant a very
23 significant fee.

24 We tried to articulate in the papers

1 that one way to look at it is, Okay, if I think that
2 the Council would justify alone a fee of 10 to
3 15 million, what would be awarded on the 90 million?
4 You could do it one way or the other, but it's almost
5 a relationship. It's a sliding scale. And we think
6 that a fair view of both elements of the settlement
7 together, you know, could actually justify a more
8 significant fee, but this is what we're seeking.

9 We think that on the governance side,
10 we cited the precedents, the Activision case, where
11 there's a discussion about the value of the governance
12 aspect of Activision. Vice Chancellor Laster said,
13 Well, this is meaningful because you are limiting the
14 ability of controllers to control, and so that has
15 value.

16 We think that if you were to compare
17 the terms, here, we have something at least as
18 significant or, really, more significant. We have the
19 Google case where there was, again, we think -- an
20 \$8-1/2 million fee was awarded on relief that we don't
21 think really was put together the way this was. I
22 mentioned earlier the Yahoo! case, which was attacking
23 a compensation scheme that would have created value in
24 the event of a future sale of the company.

1 But, again, we think that this is
2 really different. This is a huge company. There's
3 precedent for saying, Well, let's see how big the
4 company is to assess how much theoretical value there
5 is.

6 Twenty-First Century Fox is a very
7 large company, and being able to turn the page and
8 show that the board is on top of these issues, and
9 again, is taking their most important division from
10 worst to first, that has, we believe, tremendous
11 value. It can help with ongoing transactions.

12 You know, something that's not
13 self-evident when you think about what happens if a
14 company has a corrosive culture is it's not just the
15 talent that comes and then, you know, leaves after
16 years. It's the people who never get hired. Because
17 you can only imagine what was going on when Roger
18 Ailes was interviewing people. So there may be -- the
19 leading talent at the competing network may have
20 actually been happy to get the job at Fox News but
21 said, No, I'm not going to do this. So improving the
22 culture is not just about doing the right thing. It
23 is actually good business. So, you know, we think
24 this will help the company in so many ways.

1 And then, you know, we talk about the
2 time and effort put in. We -- again, a case can't
3 have, you know, too many leaders in it. This was a
4 unique situation where we had a lot of different firms
5 getting involved, but it was under our guidance. And
6 people came together and really cooperated.

7 And, you know, again, I don't want to
8 go down the list, but I'm tempted to identify everyone
9 who is here because people worked hard together for
10 this cause. And, you know, we put in the numbers.
11 There's a total lodestar. Not including the -- our
12 submission, just so that Your Honor is clear, is up
13 until about an hour before our brief got filed, our
14 total lodestar included a portion of the Levi
15 Korsinsky time. It was really only late on a Friday
16 that we learned that they were not participating in
17 the process. So the \$3.8 million of lodestar reflects
18 all of the firms other than Levi & Korsinsky. So you
19 can see that the numbers, the multipliers and the
20 implied hourly rates, get adjusted accordingly if you
21 then add the additional hours.

22 THE COURT: So there's only one
23 question I have in this regard. I'm obviously too far
24 removed from private practice. So this works out to a

1 little over 4,000 an hour. Right?

2 MR. LEBOVITCH: It would be lower if
3 you added the Levi Korsinsky time, but at this time,
4 this is just over --

5 THE COURT: Help me with this
6 sentence. "The implied hourly rate plaintiff seeks
7 here approximates or is just below the top rate
8 charged by lawyers at certain of their firms"?

9 MR. LEBOVITCH: I think --

10 THE COURT: I mean, come on.

11 MR. LEBOVITCH: You know what, Your
12 Honor --

13 THE COURT: It's preposterous.

14 MR. LEBOVITCH: I think there is a
15 footnote --

16 THE COURT: There is a footnote
17 talking about 1500 an hour, which is the rich end of
18 Wall Street. Am I that removed from private practice?

19 MR. LEBOVITCH: Well, it is 12 to 1800
20 an hour. You see that frequently.

21 But, Your Honor, I will confess what
22 happened, actually -- and this is why we didn't list
23 the multiplier. It's dot 5. You can do the math.
24 But we really, in the last hour, had to -- we didn't

1 have fee affidavits for all of the time, and there was
2 a lot of changes desperately done on a Friday night
3 and a brief that a lot of people looked at a lot of
4 times. I think in the end, the last editing -- you
5 know, so I apologize for that. It's an oversight.

6 It's -- what we're asking for on a
7 contingency basis is, yeah, about double or a little
8 more than double the prevailing rates of many of the
9 big defense firms.

10 I will highlight, Your Honor, that,
11 look, we not only do this on a contingency but even
12 the precedents, and we touch on this in one paragraph
13 in our brief, even the precedents for historical
14 multipliers awarded and implied hourly rates that are
15 awarded, I think -- I hope Your Honor agrees -- a lot
16 of those were awarded at a different time in Delaware
17 law.

18 And now, if what the Court wanted was
19 to see people litigating hard and taking real risk and
20 being willing to lose -- we don't like it, but we do.
21 And I hope Your Honor knows that our firms, we are
22 willing to take those risks. We do. We fought back
23 from near death in some cases in front of Your Honor.
24 But we do fight and we do take losses sometimes.

1 THE COURT: Whose death? Mine or
2 yours?

3 MR. LEBOVITCH: Ours. Ours. That was
4 a reference to TIBCO, Your Honor.

5 THE COURT: I'm not so sure, at times.

6 MR. LEBOVITCH: That was our reference
7 to TIBCO. But in any event, it's hard, and you take
8 losses. So, yeah, if we're successful, I think that
9 hopefully the Court says, Yeah, you did a good job
10 here. You did what we want you to do, and we're going
11 to reward you.

12 And, really, the last point that I'll
13 make is, obviously, and we support this, hopefully
14 Your Honor thinks we're good at what we do and we're
15 responsible. Our adversary here, we touched on
16 earlier, it's hard to get anyone better than Richards
17 Layton and Mr. Varallo, but, also, Your Honor sees a
18 lot of the venom that happens in litigations, and it's
19 unfortunate. This could not have happened, this whole
20 process could not have happened, if you didn't have
21 people who could have an argument without hitting each
22 other, have a disagreement without slamming the door
23 and, frankly, trust, because it takes a lot of candor
24 to put this together. And I do want to commend that

1 for all parties involved.

2 So unless Your Honor has questions
3 about that ---

4 THE COURT: I don't.

5 MR. LEBOVITCH: Okay. So I don't
6 know -- we discussed the issues about the L&K motion.
7 Our view is it's premature. Our view is there is a
8 contract in place that's unambiguous, and there is a
9 process that's followed.

10 THE COURT: There is a line in Levi &
11 Korsinsky's brief that I'd like you to address.
12 Basically, it says that their two clients are not
13 signatories to the settlement agreement.

14 Now, I did look back at the settlement
15 agreement and I didn't see a hand signature for their
16 firms, but I thought they were a party to this
17 agreement. Am I mistaken about that?

18 MR. LEBOVITCH: They're absolutely
19 parties to the agreement. They saw the agreement in
20 advance. And the whole act of signatures, there's a
21 lot of people involved, and when we were in the
22 process of getting it done, it just -- who wants to
23 get 15 more signatures? There's already enough
24 signatures on it. That's it. Everyone in this room

1 who was involved in the case saw it, reviewed it,
2 approved it. I believe we have an e-mail confirming
3 it, so there is no ambiguity there.

4 I don't know. There is really only
5 one point I would make on it. I would want to quote
6 Vice Chancellor Glasscock. I don't know if Your Honor
7 is aware but there was a prior situation where the
8 Levi & Korsinsky firm tried to get what I call a
9 preallocation from the Court, you know, in other
10 words, get an allocation before there was a
11 settlement.

12 THE COURT: I know what you're
13 referring to but I thought this may have been
14 discussed in the brief. There's one of these cases
15 discussed in the brief, but maybe I'm merging them
16 together.

17 MR. LEBOVITCH: Duke Energy.

18 THE COURT: Yeah, Duke Energy.

19 MR. LEBOVITCH: And I just want to
20 quote the three sentences that Vice Chancellor
21 Glasscock said in deciding that the contract will
22 control and that I think it was the Prickett Jones
23 firm would do the allocation and then people could
24 come back if there was a problem.

1 This is a quote from a transcript
2 that's page 44. We can submit it if Your Honor likes.
3 Vice Chancellor Glasscock says, and I quote, "I am
4 being asked to allocate in the first instance this fee
5 award. I would prefer not to. I would prefer not to
6 for two reasons. The first, I think, like every
7 judge, I dislike litigation about litigation. The
8 second is that however I decide this, it will have
9 incentive effects that may or may not be pernicious."

10 And we don't like litigation about
11 litigation. I think Your Honor is aware that it's
12 rare for anything like this to happen, and in fact,
13 it's very rare for the Court to ever see a fight even
14 after a settlement is approved and a fee is awarded.
15 And it's because we kind of all have to live with each
16 other and people -- ultimately, you know, the merits
17 prevail.

18 But here, there is a contract, and I
19 will just stress that to obviate or sidestep the
20 contract would actually create I think a lot of
21 pernicious incentives. And so, you know, I would
22 reserve if there is further argument about the issue
23 but I think that Your Honor knows the law of ripeness.
24 You know, another issue that I've litigated before

1 Your Honor. I don't think this is a close call. This
2 issue isn't ripe. We should get to perform under the
3 contract.

4 If the settlement is approved and the
5 fee is approved, we would allocate pursuant to the
6 contract. And then if there is a dispute, we've
7 already said we would put disputed amounts in escrow
8 and we can deal with it. But, you know, I don't
9 think -- I would hope the Court doesn't have a lot of
10 interest in enmeshing itself in those type of issues.

11 But if Your Honor has no more
12 questions, I just want to reserve to respond if
13 there's further argument.

14 THE COURT: You may, and you'll have
15 that opportunity if it's necessary.

16 Mr. Varallo?

17 MR. VARALLO: Good afternoon,
18 Chancellor. Gregory Varallo for all defendants other
19 than the estate of Mr. Ailes, which is represented
20 today by Mr. Bracegirdle.

21 Your Honor, I will say two things.
22 The \$200 million damages point, I think Mr. Lebovitch
23 had it absolutely correct that there was a substantial
24 disagreement among the parties about that number.

1 THE COURT: Right.

2 MR. VARALLO: My client views it very
3 differently the plaintiffs did, and we made that
4 clear, and that was an important part of the
5 negotiation. From our point of view, the \$90 million
6 actually represents quite a bit more, a larger
7 percentage of the damages that could be proved. And I
8 think from the insurer's point of view, it's probably
9 a premium to the damages that could be proved.

10 The other thing I'll say, I take a
11 moment of personal privilege to say we have in the
12 courtroom with us today Mr. Max Berger from the
13 Bernstein Litowitz firm. And I have to say, Your
14 Honor, that without Mr. Berger's leadership and
15 Mr. Lebovitch's leadership, Mr. Grant's leadership,
16 Mr. Barry's leadership, and the hard work of all of
17 the plaintiffs in this firm -- not only in this firm
18 but in this room -- we wouldn't be here today. And I
19 have to say as well, we would have been in a worse
20 place: a worse place for my client, a worse place for
21 society, more broadly.

22 And I know we all come here in an
23 unusual circumstance, but it's a circumstance the
24 Court should commend, because by virtue of the

1 leadership of the folks on this side of the room --
2 and I don't think I've ever used those words in the
3 same sentence before -- but by virtue of that
4 leadership and by virtue --

5 THE COURT: Feeling generous today,
6 Mr. Varallo?

7 MR. VARALLO: By virtue of the larger
8 group having collaborated so well together under that
9 leadership, we got to a result that really is a
10 special result for the company. And so I stand up to
11 join in asking the Court to approve the settlement,
12 and I appreciate Your Honor's time.

13 THE COURT: I do have one quick
14 question for you. I could be off base in thinking
15 about it this way, but I looked quickly at the release
16 before I came up. Does the release in any way impede
17 your client, the entity, the company, if it so wished,
18 from pursuing recourse from the Ailes estate? Maybe
19 that's all wrapped up. I don't know. Or other people
20 that could have underlying liability associated with
21 some of these events?

22 MR. VARALLO: I believe that the
23 language of the release would preclude the company
24 from pursuing against the Ailes estate for matters

1 pertaining -- that were covered by or could have been
2 covered by this litigation.

3 THE COURT: Which the D&O carriers
4 would presumably insist upon.

5 MR. VARALLO: Your Honor, there is a
6 long story there. I would prefer to go off -- well, I
7 would prefer to be on the record in camera if we
8 could, if Your Honor would like to pursue it. But in
9 candor, yes, we have given up our right to pursue the
10 Ailes estate for these matters.

11 We have not given up our right to
12 pursue others who are not covered by that release; and
13 there could be such other persons.

14 THE COURT: Okay. All right. Thank
15 you.

16 MR. VARALLO: Thank you, Your Honor.

17 THE COURT: Mr. Bracegirdle, I don't
18 know if you had anything you wanted to add or not.

19 MS. GULETTA: Your Honor, Thad
20 Bracegirdle on behalf of the Ailes estate. Nothing
21 beyond what Mr. Varallo has said to the Court.

22 Thank you.

23 THE COURT: Very well.

24 First of all, I want to know, are

1 there any objectors in the courtroom?

2 Just for the record, there are not.

3 Ms. Miller, were you seeking to be
4 heard?

5 MS. MILLER: If the Court want to hear
6 from me, I have something prepared to say.

7 THE COURT: Briefly. I'll let you
8 speak briefly.

9 MR. DUPRE: Your Honor, I should say,
10 as Delaware counsel, Andrew Dupre, McCarter & English.
11 It's my pleasure to introduce Ms. Miller.

12 THE COURT: I'll just say from the
13 outset, Ms. Miller, just to orient you, I am inclined
14 to have you work through the process that is set forth
15 in the contract. That is sort of my direction, which
16 I think makes sense.

17 I was a little surprised to see the
18 reference to -- the nonsignatory reference in a way
19 that -- I mean, the only reason to say something like
20 that is to, like, disavow that it binds you or your
21 firm. Are you contending that?

22 MS. MILLER: No, I'm not contending
23 that. I think the point of that was just to go along
24 with the point of everything else, that if you weren't

1 Monroe's counsel, then you weren't getting the
2 opportunity to have your client sign any documents,
3 verify any complaint, or anything like that. I think
4 that was the point of that. That had nothing to do
5 with saying that we weren't supporting the settlement
6 or anything like that.

7 THE COURT: I'm sorry. Who is
8 Monroe's client?

9 MS. MILLER: It is Bernstein Litowitz.

10 THE COURT: Or whose firm represents
11 Monroe?

12 MS. MILLER: Grant & Eisenhofer and
13 Bernstein Litowitz.

14 THE COURT: They both do.

15 MS. MILLER: Yes.

16 THE COURT: Like I said, I think you
17 sort of know what my inclination is, but if you want
18 to speak briefly, I will give you the opportunity.

19 MS. MILLER: Okay. I will be very,
20 very brief, then.

21 I, of course, think that the contract
22 doesn't apply in this situation because it doesn't
23 cover this situation because I do not believe that the
24 co-lead counsel can decide Levi & Korsinsky's fee in

1 good faith.

2 But I do want to focus on one thing
3 that's been represented to the Court. When we asked
4 for our \$1.5 million fee request, we did the math, and
5 that comes out to \$625 per hour of an implied hourly
6 rate. And if you were to award that fee to us, then
7 you would know exactly what Levi & Korsinsky is going
8 to get paid on an hourly basis.

9 You just heard co-lead counsel stand
10 up here and say that basically they're seeking a fee
11 of about \$4,000 per hour if they get paid on what
12 they're seeking. But to us, we don't believe that's a
13 fair representation of what is actually going to get
14 paid, unless all of the hours are going to be treated
15 accordingly, meaning that everyone is going to get
16 paid that \$4,000 per hour for all of their hours.

17 If that's not the way that it's going
18 to work, then co-lead counsel should tell you, We're
19 actually going to take whatever, \$20,000 an hour, and
20 these people are going to get paid \$500 an hour. We
21 think that that would be an accurate way to represent
22 the lodestar if that's what it really is.

23 And that's what we want to say, is
24 that we are happy if the co-lead counsel are going to

1 stand by their representation and say everyone is
2 entitled to the same hourly rate. We put in more
3 hours, so we get more of the hourly rate.

4 THE COURT: Are you suggesting they
5 made such a representation?

6 MS. MILLER: I think their brief does.
7 I think their brief tells you that this is the hourly
8 rate that everyone is going to get paid. And that --
9 you know, if that's not what they're doling out, then
10 that isn't accurate.

11 THE COURT: I'm pretty confident
12 that's not what that part of the brief says.

13 MS. MILLER: Okay. Well, we thought
14 that that was an important distinction.

15 And if you have any questions about
16 anything, then I'm happy to answer them.
17 Otherwise ...

18 THE COURT: I don't.

19 MS. MILLER: Okay. Thank you for your
20 time.

21 THE COURT: All right.
22 Anything else from your side?

23 MR. GRANT: Nothing else, Your Honor.

24 THE COURT: Okay. So let me talk for

1 a few minutes about this. Fortunately, I don't have
2 to do the stuff I often have to do at settlement,
3 which is go through all the class elements. Because
4 this is a derivative case, it simplifies things.

5 I will commend everyone in the room on
6 what happened here. It's pretty unusual, not entirely
7 unprecedented, the prepackaged settlement. But there
8 definitely were sensitivities here that make it, from
9 everything I can see, a really sensible, practical way
10 to resolve a pretty sticky situation. And so for
11 that, I commend you for doing it and bringing it to
12 the Court the way you did.

13 I obviously wasn't there along the
14 way, so I take everyone's word who spoke sort of
15 glowingly -- recognizing, I'm sure, there were lots of
16 intramural fights along the way -- about the level of
17 cooperation that was exhibited on both sides to get to
18 the point of actually getting this done. So on that,
19 I commend you.

20 I think the settlement is an excellent
21 settlement. I looked through the therapeutic
22 benefits. Obviously, I misread the termination
23 provision but, otherwise, I think I have the thrust of
24 the settlement. And there's real meaning to the

1 Council, and, of course, there is always the cash. On
2 the other side of the ledger, the claims are
3 ultimately Caremark claims, which are very hard to
4 prove.

5 It's very hard to quantify these types
6 of benefits. I thought about asking for some
7 affidavit or something that would give me some notion
8 on that. I know when that's been done in the past,
9 sometimes they've been less helpful than more helpful.
10 And it is difficult to do it. But I think the fee
11 award in the aggregate is fair.

12 I'm not going to parse it finely. It
13 doesn't fit in the natural framework of our ranges,
14 depending on where the case is, because everything was
15 done prefiling. There was some level of deposition
16 activity and certainly a lot of interviews and other
17 things that were going on here.

18 So I think the amount is appropriate;
19 the settlement, I think, is an excellent settlement;
20 and I'm going to approve both.

21 With respect to the Levi & Korsinsky
22 matter, I am going to give you a few points of
23 guidance, but I think the right way to handle it is to
24 go through the process of the good-faith discussion

1 that needs to occur under the provision of the
2 settlement agreement. But good faith means good
3 faith.

4 And a couple things: I will want you
5 to escrow a million and a half of the settlement
6 amount pending the outcome of that.

7 I truly do want a dialogue. I think
8 what people need to recognize -- I'll sort of make two
9 comments to hopefully inform the discussion when it
10 occurs.

11 I think, Ms. Miller, your firm -- you
12 know, I'm probably one of the few judges, maybe the
13 only one, that's been in the secret sweat lodge of
14 some of this in my days in private practice. I think
15 you would be naive to think there's going to be
16 equivalence between the people that took the
17 leadership role and the manner of compensation. It's
18 not some pro rata exercise, and I think you'd be naive
19 to think that.

20 But I also want the plaintiffs, the
21 lead folks, to truly exercise good faith and to
22 recognize that if this comes back to me, which I hope
23 it never does, I'm going to need sunlight on where
24 every dollar went in the settlement, who got paid

1 what, what the multipliers were for every firm, and
2 what the justification is of the treatment down the
3 road.

4 I never want to see it, frankly. And
5 I wouldn't rule out assigning this to some sort of
6 Master to deal with the situation. I don't know. I
7 haven't thought about it that deeply. I really hope
8 that it can be resolved and would strongly encourage
9 you to resolve it.

10 So I think I probably need to do a
11 modification of the form of order that reflects the
12 last part of what I said.

13 The order should be on the system.
14 Right? The final order? I imagine it is.

15 MR. GRANT: Yes, Your Honor.

16 THE COURT: And if it's not, somebody
17 from my chambers will call you soon to let you know
18 that, but I'm pretty sure it is. And I'll enter it,
19 and I'll put a modification in reflecting what I just
20 said about how we're going to handle the Levi &
21 Korsinsky matter.

22 Does anybody have any questions for
23 me?

24 MR. GRANT: No, Your Honor.

1 MR. LEBOVITCH: No.

2 THE COURT: Thank you for your
3 presentations, and to all of you, have a good day.

4 MR. VARALLO: Thank you, Your Honor.

5 VARIOUS COUNSEL: Thank you, Your
6 Honor.

7 (Court adjourned at 3:00 p.m.)

8 - - -

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

CERTIFICATE

I, JEANNE CAHILL, RDR, CRR, Official Court Reporter for the Court of Chancery of the State of Delaware, do hereby certify that the foregoing pages numbered 3 through 52 contain a true and correct transcription of the proceedings as stenographically reported by me at the hearing in the above cause before the Chancellor of the State of Delaware, on the date therein indicated.

IN WITNESS WHEREOF I have hereunto set my hand at Wilmington, Delaware, this 13th day of February, 2018.

/s/ Jeanne Cahill

Jeanne Cahill, RDR, CRR
Official Chancery Court Reporter
Registered Diplomat Reporter
Certified Realtime Reporter